

## A STUDY ON PLASTIC MONEY: THE RISK AND BENEFIT FROM PLASTIC MONEY IN OUR SOCIETY

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### ABSTRACT

*On account of the technological change in the financial sector, the report in the banking method has sustained a powerful change. Customers have shown their choice over the handling of the plastic money commonly over a period of time. Plastic money is a substitute for the cash or the norm 'money'. Plastic money sent for to the credit cards or the debit cards that are applied to commit purchases. different other types of plastic cards provided by banks as ATM card, Debit card, Credit card, Smart card, Electronic Banking, Information Technology The study an inspection of the progress of banking in the plastic cards tradition trends since these have been proposed in banking sector. The study also highlights the risk and benefit from plastic money faced by the society of these cards as electronic payment tool. The account for acceptance of plastic money in substitution of cash and paper money have been identified which shows around the like of the purchaser for plastic cards over the cash and paper money.*

**KEYWORDS:** *Plastic Money, Plastic Cards, Electronic Banking, Information Technology.*

### Introduction

Plastic cards, or what short give a description of as plastic money, happens to be the best-known method of pay packet the act of paying money mint in this day and period. Extremely of us did not hold how swiftly that little piece of plastic obtained its place on our lives. Credit cards online will carry on to be used for the multiple benefits they offer us. We understand all too well that online credit cards function as a remedy discharge option to pay out for our many buys. A credit card permits you to get wealth from an ATM to prepare purchases. In the current the world, banking department of is successful Very much fast than any other business. The whole bank business stands up on rectification near the help of technology. With the progress of technology, various different products and services have been delivered to the customers, and plastic money is the most arrogant one. Nowadays, a modern customer cannot think of banking barring the potential of plastic card. Nowadays credit and debit card have mostly replaced cheque as option to cash.

Both are logically secured compared to cash and are widely accepted. The obtain ability of plastic cards with every report holder has adapted the elucidation of banking in society recent terms. The increase of plastic money industry was quite manifest as people are getting larger dependent on technology and plastic money trading is suitable for the best outcome of technology in banking business marketing, agriculture, transport, hospital, college university, wholesale, a retailer, real state, etc. Because bringing wads of cash for a weekly or monthly shop is risky and not having enough when you get to the in anticipation of is humiliating. Those days are gone when we had to carry loads of cash and plan our shopping binges. To maintenance, their money safe is an age-old problem. Plastic money is suitable for the stand in of cash. It is similar an electronic faculty where-about all the knowledge gives to

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the client/card holder, and the banks are provided and can be completed through putting it in the Automated Teller Machine. It is not only useful but also very solid and dependable in most of the improved countries, plastic money has replaced the paper currency on a large-scale and is now existence adopted in evaluative countries progressively. The plastic Money market is absolutely going big time in our India. Greater and greater and international financial institutions are displaying fervor in this management. It is the prospect's market in helpful many credit card competitors managing on the circuit, certifying healthy and competitive card business agreements.

#### **Objective of the Study**

- To find the level of adopting and utilization of plastic money as the payment system.
- To find out the factors for taking in of plastic money that changes the present or cash money.
- To find out the difficulties of dealing plastic money and some portions for preventing frauds turn on due to plastic cards

#### **Significance of Plastic Money**

Plastic money is just the substitute of cash. It is like an electronic optional where all the intelligence to the client/card holder, also, the bank is saved and can be completed through putting it in the Automated Teller Machine and at the Point of Sales (P.O.S.) extremity. It's not only comfortable but also very reliable and secure. In this type of card inside a magnetic strip, all the needed information to the customers is put by study which the ATM can deliver the required money of the customer. The whole process is so procured and fast that it is really a big asset for the banks, and that is why all the banks are demanding to improve the service than being supplied through plastic cards. Types of Plastic Cards: Credit card, Debit card, Payment/Prepaid/Electronic wallet card, ATM cards, shop, Budget or rational choice cards, charge cards, prize cards, etc.

#### **Categories of Plastic Money**

- **Credit Cards**

A credit card permits you to loan money from a bank to make purchases if only you can buy a something else. As long-term as you pay after the money you loan within in the "grace period" of 25-30 days, you don't have to pay any extra. If you don't pay the behind in that time duration, you'll have to pay percent money you owe the bank on top of what you borrowed. The term "credit card" chiefly dispatch to a plastic card appeared to a cardholder, with a credit range, that can be applied to Purchase goods and service on credit or get cash advance.

It can be called as a substitutable to a loan sanctioned by the bank with its purchaser's Credit card furthers and makes it possible to "Use First and pays later" the specified amount of credit as per the agreed terms of sanction. This card promotes the cardholder to buy goods and services on account of the trader creations and shops through the cooperating credit-card companies like VISA, MasterCard. Unlike debit cards, credit cards as well supply overdraft facility, and the client can buy up proceeding and further than the fund receivable in his account and like this regarded as an authentic payment instrument. Advantage fees are levied on the overdue balance after the settlement is proper. Clearing and agreement from credit card are an easy and authentic process in which bank plays a vital role.

- **Debit Cards**

A debit card (as well known as a bank card,) is a plastic payment card that can be applied alternatively of cash production when purchases. It is equivalent to a credit card, but different a credit card. The money comes straight from the user's bank account when carrying out a transaction. A Debit Card supply for online electronic clearance like Credit Card yet of surplus or current accounts of the cardholder for buys. It is a magnetically codify plastic card released by banks, whatever has fungible cash and cheques. This permits the client to pay for goods and services without carrying cash near them. In some matter, the debit card is multipurpose, what can as well be applied as ATM for draw the cash and to check account balances. This the card is a storage acquire the product everywhere cardholder uses his personal money in his bank account care of the debit card on the theory of "Pay First and Use Later." The debit card check the token or hologram of the conspiring the company specious as VISA, Master Card, Maestro and Cirrus, etc.

- **ATM Card-cum-Debit Card**

It is distributed by banks to let the subscriber usage it for both the reason mentioned. It can get used for ATM deal as well as online purchasing and payment. As the name mentions its ATM and debit

card all bundled in one. ATM Card-cm-Debit The card can get applied together as an ATM card and Debit card as a mode of payment when purchasing goods and services. The cardholder is answerable for all transactions built up dealing the card.

- **Master Card & Visa**

MasterCard and Visa are global non-profit organizations dedicated to promote the increase of the card business across the world. They have to make a big mechanism of merchant institute so that customers worldwide may use their related credit cards to get different purchases.

- **Smart Card**

A smart card takes in an electronic chip, which is applied to save cash. This is most applicable as you have to pay for mini purchases, for instance, motor bus rent and enough. No detection subscription or settlement authorization is undersigned for using this card. The correct amount of purchase is reduced by from the smart card through payment and is self-possessed by smart card reading machines. No change is given. Currently, this product is available just in very developed countries like embark country and is being used only sporadically in India.

### **Benefits of Plastic Money**

- **Agriculture**

Agriculture The Farmer can purchase good tools and services at a large number for agriculture of outlet without cash or cheque. The card is helpful for farmer in emergency and can embarrassment. The danger component for carrying and collection cash is postpone. It is suitable for him to take away a credit card and he has safe travel and may purchase his without carrying cash or cheque.

- **Market**

The exercise of plastic cards in India has no suspicion in rising from last few years but there is still a mighty believable left for the bankers to bring more catching services in order to fodder the customers on one side and raise their profits on the other. Some side effects are there which grant to the growth of plastic cards business and also signal its growth in the next to the future.

- **Transport**

Plastic money quickly became the currency of choice around the world and stayed so for centuries. However, with recent technological developments, plastic film notes offer extra security features along with length of service and activity productivity.

- **Hospital**

Antiseptic and relating to plastics are surplus different stakeholders in the medical profession money, from the makers of medical tactic all the way to patients in hospitals. Plastic devices are cheap to output and simpler to replace. The savings are advantages everybody puzzled in the patient-care cycle. This is particularly true in the case of reusable plastics, which have longer helpful lives compared to single-use metal devices, or other medical products built up from petty materials.

- **College or University**

College Students pay the fees and purchase the book and stationery by Debit card or Credit card. The problems of credit card or debt card and college students are growing and have been talked about in mass media to draw people's attention to the negative social effects of academy student credit card debt. Many students want to own a credit card because of a belief that they will get benefits to set a credit card history which will help them get loans or any other credit in the future, and it is not difficult for them to get one. However, lack of financial knowledge causes students to get into debt easily.

### **Contribution in Economy**

The economic role of a sector can be described through its significance to the economy as an employer, a supplier of products and services, purchaser, investor, and key associate to other sectors. In this part from the account to consider the directly quantifiable advantage that the credit-card industry deposits into the economy. These are circumstances that can be regulated straightforwardly and clearly the figure of public working their income the cash flow such as income conveys into a certain area, etc. We aim to attribute these as accurately as possible, both in precondition of value and location; however, for most firms, in particular, the industry's secondary suppliers disentangling its credit card business from its other concerns may prove difficult, if not impossible.

Banking sector is the most competitive sector in the present business world. Thousands of customers are served by banks. The last target of the bank is to maximize the wealth of the employer. When plastic money users are contented, they will be engaged to the bank for a long time. It will be the strength for a special bank to compete with other banks. It will help the rising of the plastic money users Confidence on the bank and users will be tempted. If banks want to sustain positively, there is no choice but to satisfy the customers, especially the plastic money users, because they use it against their valuable credited money in the bank.

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